

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF PUERTO RICO**

IN RE:

**ARQUIDIOCESIS DE SAN JUAN DE
PUERTO RICO**

Debtor in Possession

CASE NO.: 18-04911 (EAG)

CHAPTER 11

**MOTION IN COMPLIANCE WITH ORDER
TO INFORM OUTCOME OF MEETINGS WITH THE DIOCESE OF ARECIBO,
DIOCESE OF MAYAGUEZ AND DIOCESE OF PONCE and
OTHER REQUEST FOR RELIEF**

TO THE HONORABLE COURT:

COMES NOW, Arquidiócesis de San Juan de Puerto Rico, ("The Archdiocese"), through the undersigned attorney, and very respectfully STATES and PRAYS:

1. On December 21, 2018, a hearing was held in order to consider, among other issues the Motion to Compel filed by some creditors, for the production of the Schedules and Monthly Operating Reports for the Dioceses of Ponce, Diocese of Mayaguez and the information related to the Diocese of Arecibo prior to its incorporation, to be included in the Statement of Financial Affairs. The Debtor informed the Honorable Court that it was scheduling meetings with the representatives of these Dioceses.
2. The Honorable Court ordered the Debtor to file on or before January 10th, 2019 an informative motion stating the position of the Diocese of Ponce, the Diocese of Mayaguez and the Diocese of Arecibo regarding the bankruptcy filing under Chapter 11. The court also ordered the Debtor that if its intent is to commence and/or to continue with the reorganization process to propose an order rescheduling the meeting of creditors and setting deadlines to file amended petition, schedules, statement of financial affairs and

other documents requested by the UST. It was also required to file a complete creditor's matrix and debtor's employer identification numbers. See Docket No. 216.

3. It is uncontested that the Archdiocese of San Juan de Puerto Rico, the Diocese of Caguas and the Diocese of Fajardo-Humacao, have complied with all their responsibilities and obligations under the Bankruptcy Code and the guidelines of the U.S. Trustee. There are some values to real estate to be submitted, which are minimal compared with the total number of real estate included in the schedules. This additional information is in process to be obtained and in any event will be filed on or before January 15, 2019. The Archdiocese of San Juan, the Diocese of Caguas and the Diocese of Fajardo/Humacao, have complied with all their duties under the Bankruptcy Code, including their obligations of full disclosure as to its finances, filing their Monthly Operating Reports and the submission of all documents to the UST for the Initial Debtor Interview. The Archdiocese of San Juan, the Diocese of Caguas and the Diocese of Fajardo/Humacao were ready and appeared at the scheduled date for the Meeting of Creditors and have also appeared at all of the scheduled hearings in this case.
4. The Archdiocese of San Juan de Puerto Rico, has made all efforts to obtain the information from the Dioceses of Ponce, Mayaguez and Arecibo, in order to comply with the requests of the UST and the Orders of the Honorable Court.
5. The Debtor herein wishes to inform the Court the following:
 - a. As to the Dioceses of Ponce and Mayaguez: On December 28, 2018, a meeting was held with Fernando Agrait, Esq. as representative of the Dioceses of Mayaguez and Ponce. A second meeting took place on January 7th, 2019, with attorney Fernando Agrait and attorney Charles Cuprill.

b. As to the Diocese of Arecibo: On December 27, 2018 the Debtor had a conference call with counsel for the Diocese of Arecibo. Thereafter, on January 3, 2019 a personal meeting was held.

6. The Archdiocese of San Juan de Puerto Rico, has not been successful in its efforts to comply with the order of the court and the requests of the UST as to Ponce, Mayaguez and Arecibo. Although the bankruptcy law requires the compliance of all the dioceses in Puerto Rico to submit to this Honorable Court their financials, the Archdiocese of San Juan, through its Archbishop wishes to make a personal appeal to the court to grant us additional time so that the dioceses of Ponce and Mayaguez, that have not yet provided the information, may have more time to exhaust their legal recourse options before the United States Supreme Court, which is due to be filed on January 14, 2019. See Exhibit 1.

7. The Archbishop understands that we must comply with the requirements of law under the Bankruptcy Code. Therefore, a personal request of the Archbishop to this Court of equity is to allow the Dioceses of Ponce and Mayaguez to complete their legal resources and do not dismiss the bankruptcy case, as a whole, due to their failure to provide the information required. On the contrary, we pray the Bankruptcy Court to allow the Archdiocese of San Juan, and the Diocese of Caguas, Fajardo-Humacao, to continue the process, in the benefit of all the creditors. Finally, the personal request of the Archbishop to this Court of equity is to express to you his “concern for the creditors, all the faithful of the entire Island, the employees, the social services that are so desperately needed by the people of Puerto Rico, and the entire Catholic Church in Puerto Rico”, which is why he is “appealing to your sense of Mercy.”

8. Furthermore, even though that as of the filing date, the Dioceses of Arecibo had been incorporated, the Archdiocese has also exhausted all its efforts to obtain the information from this Diocese to complete the information to be included in its Statement of Financial Affairs. The truth is that as of this date the Debtor has not been provided with the information requested by the Court as to the Diocese of Arecibo, so it can be included in the statement of financial affairs, but we will continue our efforts to do so.
9. The Debtor proposes this Honorable Court:
 - a. To order the commencement of the meeting of creditors within the next 30 days and not its closing, until the court deems it appropriate.
 - b. To provide the creditors listed, those who have already filed proof of claims and those who will be filing a proof of claim by February 26, 2019, which is the current bar date an opportunity to be paid through these proceedings. It should be noted that the majority of these creditors are the beneficiaries of the pension plan, to which the Debtor was one of the employers. The Debtor and the legal representatives of most of these creditors have begun negotiations and it is in the benefit of all to conclude these negotiations in this forum, which provides the trust and security that all parties need and desire.
10. As of this date, the schedules for Archdiocese of San Juan de Puerto Rico, the Diocese of Caguas, Fajardo-Humacao, are substantially completed.¹ The matrix already includes all the creditors of these units. The beneficiaries of the Pension Plan, were within this territorial area and not within the area of Ponce and Mayaguez, which did not include any members to the pension plan. The beneficiaries of the pension plan, can get payment

¹ It should be noted that the Diocese of Humacao has no beneficiaries subject or under to the Pension Plan.

within this process in an expedite basis, contrary if they are sent back to state court to complete the litigation of a very complex case, until a final order. There creditors are in its majority retired employees, which need a remedy in a short period of time, not along few years from now, when it can be too late.

11. The Archdiocese of San Juan has already, through the professionals hired during the bankruptcy process, identified some real estate it can sell and has already received firm offers. The proceeds from most of these sales will be ear marked for the payment of these creditors, either through settlement or under a segregation of a special fund to be distributed among the retirees, even though the Debtor understands that it is the Pension Plan of the Catholic Schools of the Archdiocese of San Juan (The Pension Plan), the party liable to these creditors. It is the Archdiocese of San Juan's intent to fund by itself any agreement or Plan of Reorganization.

12. The Debtor very respectfully requests that this Honorable Court take notice of the above stated and of its compliance with the order entered on December 21, 2018 to inform the Court of the position of the Dioceses of Ponce, Mayaguez and Arecibo of the bankruptcy filings and the orders of the Court.

WHEREFORE, the Debtor respectfully request that this Honorable Court take notice of its compliance with the Order of the Court and;

- a. To allow the Archdiocese of San Juan de Puerto Rico, Caguas, Fajardo-Humacao, the continue with the protection of the automatic stay, within these proceedings;
- b. To provide the creditors listed by the Archdiocese of San Juan de Puerto Rico, Caguas, Fajardo-Humacao, and those who have already filed proof of claims and

those who will be filing a proof of claim by February 26, 2019, which is the current bar date, an opportunity to be paid through these proceedings.

- c. To order the commencement of the meeting of creditors within a short period of time after the bar date, and maintaining it open, until the court deems it appropriate.
- d. To allow the Debtor and the legal representatives of most of these creditors, who have begun negotiations, to continue their best efforts to reach a reasonable and viable settlement in the benefit of all parties.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 10th day of January, 2019.

I HEREBY CERTIFY that on this same date I electronically filed the foregoing through the CM/ECF system, which will send notification of such filing to the parties therein registered to receive Notice including the US Trustee, the Dioceses of Ponce and Mayaguez and by first class mail to the Diocese of Arecibo through its legal counsel, Ms. Mariana Carreras and Ms. Eglantina Astor Acosta as per their address of record.

C. CONDE & ASSOC.
254 San José Street, 5th Floor
Old San Juan, Puerto Rico 00901-1523
Telephone: 787-729-2900
Facsimile: 787-729-2203
E-Mail: condecarmen@condelaw.com
/S/Carmen D. Conde Torres
Carmen D. Conde Torres, Esq.
USDC No. 207312
/S/Luisa S. Valle Castro
Luisa S. Valle Castro
USDC 215611



Search documents in this case:

No. 18A483

Title: Roman Catholic Archdiocese of San Juan, Puerto Rico, et al.,
Applicants
v.
Yali Acevedo Feliciano, et al.

Docketed: November 5, 2018

Lower Ct: Supreme Court of Puerto Rico

Case Numbers: (CC-2018-0475)

DATE	PROCEEDINGS AND ORDERS	
Nov 02 2018	Application (18A483) to extend the time to file a petition for a writ of certiorari from November 15, 2018 to December 15, 2018, submitted to Justice Breyer.	
	Main Document Orders/Opinions	Lower Court Proof of Service
Dec 06 2018	Application (18A483) to extend further the time from December 15, 2018 to January 14, 2019, submitted to Justice Breyer.	
	Written Request Proof of Service	
Dec 07 2018	Application (18A483) granted by Justice Breyer extending the time to file until January 14, 2019.	

NAME	ADDRESS	PHONE
Attorneys for Petitioners		

Paul D. Clement
Counsel of Record

Kirkland & Ellis LLP
655 Fifteenth Street, NW
Washington, DC 20005

(202) 879-5000

paul.clement@kirkland.com

Party name: Roman Catholic Archdiocese of San Juan Puerto Rico, et al.